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Avantax Wealth Management

NEWS

Avantax Announces \$1.7B in Newly Recruited Assets in 2022

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Rob Burgess | Feb 22, 2023

On Tuesday, tax-centric broker/dealer Avantax announced that in 2022, the firm recorded newly recruited assets of approximately \$1.7 billion, an increase of approximately 79% over 2021.

Avantax ended the third quarter of 2022 with a total of 3,347 financial advisors, about flat from the previous quarter and down about 182 from a year before.

During the fourth quarter of 2022, 66 independent financial professionals affiliated with Avantax, according to the company.

Avantax also “continued successfully recruiting accounting firms” to its employee-based model, which they refer to as Avantax Planning Partners.

“They’re joining Avantax to be part of our community of like-minded, growth-oriented peers who collaborate and help elevate each other as they

grow,” said Tim Stewart, vice president and head of business development for Avantax, in the announcement.

Angie Herbers, founder and chief executive of Herbers & Company, said for the past five years, the top organic growth strategy for advisory firms is the addition of tax planning, “especially for consumers who are nearing retirement.”

“The critical and growing shortage of the CPAs ... is an opportunity for advisory firms,” said Herbers. “While tax planning cannot replace tax advice ... firms who had implemented tax planning services ruled 2022 growth across the industry.”

In September 2019, Blucora, the parent company of tax-focused independent broker/dealers HD Vest Financial Services and 1st Global, combined the two b/ds into Avantax Wealth Management.

In June 2021, Blucora, laid out plans to bring together its tax software and wealth management businesses.

In November 2022, Blucora announced they would rebrand as Avantax, and become a pure-play wealth management firm. This change came as the company shed its TaxAct business. An affiliate of Cinven, a global private equity firm, agreed to buy TaxAct for \$720 million in cash.

Ancora Holdings, an investment advisory firm and Blucora shareholder that waged a public proxy battle with the company for board seats, had been calling on Blucora to sell TaxAct since 2021.